PM/CPA: Jason Greer T: Maureen Tucker PM/DTCL: KMaloney

Dear Madam Speaker:

Pursuant to Section 3(d)(3) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed transfer of technical data, defense services, and defense articles in the amount of \$50,000,000 or more.

The transaction contained in the attached certification involves the sale of four (4) C-27J Spartan Aircraft from Alenia Aeronautica S.p.A. to the Government of the Kingdom of Morocco. The transfer will include U.S. origin content, technical data, spare parts, and ground support equipment.

The United States Government is prepared to license the transfer of these items having taken into account political, military, economic, human rights and arms control considerations.

More detailed information is contained in the formal certification which, though unclassified, contains business information submitted to the Department of State by the applicant, publication of which could cause competitive harm to the United States firm concerned.

Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 054-09

The Honorable

Nancy Pelosi,

Speaker of the House of Representatives.

DEPARTMENT OF STATE TRANSMITTAL NO. DDTC 054-09 CERTIFICATION OF PROPOSED ISSUANCE OF AN EXPORT LICENSE PURSUANT TO SECTION 3(d)(3) OF THE ARMS EXPORT CONTROL ACT

- (1) Transferor: Alenia Aeronautica S.p.A., A Finmeccanica Company
- (2) <u>Proposed Transferee</u>: Government of the Kingdom of Morocco
- (3) Total Contract value in U.S. Dollars: \$176,540,000
- (4) Description of the Items: Alenia Aeronautica S.p.A. proposes to sell four (4) C-27J Spartan Aircraft to the Government of the Kingdom of Morocco. The C-27 was initially developed jointly by Lockheed Martin Aeronautics Company and Alenia under a manufacturing license agreement notified to Congress. Under this agreement, Alenia provides the airframe and avionics and systems integration while U.S. suppliers provide the propulsion, avionics and general systems equipment. Lockheed Martin for business reasons has declined to expand the sales territory of the agreement to pursue further sales of the C-27. Thus Alenia is requesting authorization to retransfer the aircraft under the ITAR. The Alenia contract with Morocco includes U.S. origin parts, components, systems, technical data, training, and defense services. The U.S. origin USML content installed in the C-27J consists of Cargo Handling Systems, Braking Systems, Mission Computer, Avionics Equipment, Interfaces, Radar Systems, IFF Transponders, Engines/Propulsion Systems, technical data and associated equipment.
- (5) Acquisition Cost of the Items Proposed for Transfer: Approximately \$37,965,435 in U.S. origin USML content. Although the value of the component content falls below threshold for Section 3(d)(3) transfer notifications, we are submitting this certification because the aircraft were produced under a manufacturing license agreement as referenced above which provided substantial US technology in addition to the components. Notification in this instance is consistent with our practice for notification of expansions in the sales territory of manufacturing license agreements.
- (6) <u>Reason for Proposed Transfer</u>: Signed contract between Alenia Aeronautica and The Government of the Kingdom of Morocco.

- (7) <u>Date of Proposed Transfer</u>: Alenia plans to deliver the first aircraft in 2010.
- (8) Offset Arrangement: N/A
- (9) Date Certification Delivered to Congress:

 $\underline{\text{NOTE}}$: This report, although unclassified, is derived from information submitted to the $\underline{\text{Department}}$ of State by the applicant which is subject to the confidentiality requirements of section 38(e) of the Arms Export Control Act. Disclosure of an applicant's prices and customers could result in competitive injury.

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Richard R. Verma Assistant Secretary Legislative Affairs

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Transmittal No. DDTC 054-09

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Nancy Pelosi,

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 054-09

The Honorable

John F. Kerry, Chairman,
Committee on Foreign Relations,
United States Senate.

Dear Senator Lugar:

Pursuant to Section 3(d)(3) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed transfer of technical data, defense services, and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 054-09

The Honorable
Richard G. Lugar,
Committee on Foreign Relations,
United States Senate.

Dear Ms. Ros-Lehtinen:

Pursuant to Section 3(d)(3) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed transfer of technical data, defense services, and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 054-09

The Honorable
Ileana Ros-Lehtinen,
Committee on Foreign Affairs,
House of Representatives.

Dear Mr. Chairman:

Pursuant to Section 3(d)(3) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed transfer of technical data, defense services, and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 054-09

The Honorable

Howard L. Berman, Chairman, Committee on Foreign Affairs, House of Representatives.

Dear Mr. President:

Pursuant to Section 3(d)(3) of the Arms Export Control Act, I am transmitting, herewith, certification of a proposed transfer of technical data, defense services, and defense articles in the amount of \$50,000,000 or more.

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Sincerely,

Richard R. Verma Assistant Secretary Legislative Affairs

Enclosure:

Transmittal No. DDTC 054-09

The Honorable

Joseph R. Biden, Jr.,

President of the Senate.